



S.A. No. 600 of 2018

**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

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**RESERVED ON : 12.12.2025**

**PRONOUNCED ON : 12.01.2026**

**THE HON'BLE MR. JUSTICE C.V.KARTHIKEYAN  
and  
THE HON'BLE MR. JUSTICE K.KUMARESH BABU**

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1.Kamalanathan  
2.Desai  
3.Lakshmi  
4.Santhosh Kumar  
5.Jaswanth Kumar  
6.Minor Jawahar Kumar  
**[Minor rep. By Mother and  
Natural Guardian the 3<sup>rd</sup>  
appellant herein.]**

.... Appellants

**-vs-**

The Special Thasildar  
Adi-Dravida Welfare  
Gudiyatham Taluk  
Vellore District.  
....Respondent

**Prayer:** Appeal filed under Section 100 of Code of Civil Procedure, read with Section 13 of the Tamilnadu Land Acquisition of Land for Harijan Welfare Schemes Act, 1978, against the judgment and decree dated 25.01.2018 made in CMA No. 1 of 2014 on the file of Special Subordinate Judge, Vellore against the Award No. 8/97-98 dated 25.03.1998, on the file of the Special Tahsildar, Adi-Dravidar Welfare, Gudiyatham Taluk, Vellore District.

For Appellants : Mr.P.Jagadeesan

For Respondents : Ms.R.Anitha, SGP



## J U D G M E N T

(Order of the Court was made by **Mr. K.KUMARESH BABU.,J.**)

We have heard Mr. P.Jagadeesan, learned counsel appearing for the appellants and Ms. R.Anitha, learned Special Government Pleader appearing for the respondent.

2. The learned counsel for the appellants would submit that the appellants were the owners of the land that they had purchased on 29.10.1997 under registered Sale-deeds which had been marked as Exs.C1 and C2. He would submit that it had come to his knowledge that the land was subject matter of acquisition proceedings under the provisions of the Tamilnadu Land Acquisition of Land for Harijan Welfare Schemes Act, 1978 (hereinafter referred to as ‘the Act’) by issuance of a notice under Section 4(2) of the Act prior to the purchase made by the appellants. Thereafter, notification under Section 4(1) of the Act was published and an award came to be passed on 25.03.1998 fixing the compensation @ Rs.43,403/- per acre.

3. He would submit that the Sale-deeds, viz., Exs.C1 and C2, were subject matter of a proceeding under Section 47-A of the Indian Stamp



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Act, which came to be concluded in the year 2007, wherein the Special Deputy Collector (Stamps) under the Indian Stamp Act had arrived at a market value of Rs.14.25 per square feet.

4. He would contend that the market value of the land as arrived at by the Statutory Authority on the date of execution of the Exs.C1 and C2 alone would be the value that ought to have been awarded for the lands which had been acquired. Hence, the appellants have preferred an appeal as provided under the Act and the appellate Court had dismissed the appeal filed by the appellants holding that the lands under Exs.C1 and C2 had been purchased by the appellants after the issuance of notice under Section 4(2) of the Act and hence, based upon a subsequent sale deed, the value could not be taken.

5. He would submit that the appellate Court had also held that the Sale-deeds, under which the appellants had purchased the property, are without *bonafide*. That apart, it is the case that the Court below had also held that except the documents under which the appellants had purchased the lands, no other documents have been placed to substantiate the claim of the market value of the lands.



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6. He would submit that the compensation that is to be paid for the lands acquired should be fair and reasonable. He would further submit that the guideline value, that was fixed by the Statutory Authority, is made based upon the prevailing market value in the area. When one arm of the Government had arrived at a value of the lands, the other arm of the Government cannot contend that it would not be the fair market value of the lands.

7. He would submit that the concept of guideline value is to defeat the claim of the purchaser in undervaluing the property to unjustly enrich himself by paying a lesser stamp duty.

8. He would also rely upon the judgment of the learned Single Judge of this Court to persuade that a compensation could also be made at the guideline value that was prevailing at the time of acquisition. Hence, he seeks indulgence of this Court in granting the appellants the compensation as per the stamp duty, that was fixed by the Statutory Authority under Section 47-A of the Indian Stamps Act, for the lands that have been acquired.



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9. Countering his arguments, Mrs.S.Anitha, learned Special

Government Pleader would contend that the lands have been purchased by the appellants after the acquisition proceedings have been initiated. She would further submit that the original land owners did not have any objections in the acquisition proceedings and they were also satisfied with the value that had been fixed by the Land Acquisition Officer, and had specifically not objected to the value fixed during the award. She would submit that the appellants being the subsequent purchasers are also bound by the admission of their vendors. That apart, she would submit that the value of the lands could only be taken prior to initiation of the land acquisition proceeding and not thereafter. She would submit that the compensation pursuant to the initiation of the land acquisition proceedings itself is high. Hence, the appellants cannot rely upon Exs.C1 and C2 for higher compensation. That apart, she would submit that the face value of the document is much lesser than the amount fixed in the award.

10. In that context, she would submit that the value of the lands as reflected in the documents executed between the vendors and purchaser could only be taken, since the said consideration had only flowed from the purchaser to the vendors. Fixation of a higher market value would

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only unjustly enrich the purchaser and would not inure to be benefit of the vendors, who alone would be entitled to the higher compensation as on the date of initiation of the land acquisition proceedings.

11. Further relying upon the judgment of the Hon'ble Apex Court in *Jawajee Nagnatham -vs- Revenue Divisional Officer* reported in *(1994) 4 SCC 595*, she would contend that Basic Valuation Register (BVR), which is being prepared and maintained for the purpose of the calculating the stamp duty, has no statutory basis or force for determining the market value of acquired land under the Land Acquisition Act, 1894.

12. She would vehemently contend that in the present case, the appellants are the purchasers of the land under Exs.C1 and C2. The sale consideration mentioned therein was arrived at through negotiations with the vendor and represents the agreed price between the parties. Therefore, the consideration reflected in the Exs.C1 and C2 would alone constitute the proper value of the land and nothing more. Hence, she prays this Court to dismiss the appeal.



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13. We have considered the submissions made by the learned counsels appearing on either side and perused the material placed on record, apart from the pleadings of the parties.

14. This Court had framed the following substantial questions of law by its order dated 25.10.2018:-

*“The Second Appeal is admitted on the following substantial questions of law:*

*(i) Whether the lower Court erred in rejecting the sale deeds dated 29.10.1990 Exs.C-1 and C-2 on the erroneous ground that they came into existence after the service of the notice under Section 4(1) of the Tamil Nadu Act 31 of 1978, ignoring that the appellants are bonafide purchasers and purchased the property without knowledge of the land acquisition proceedings?*

*(ii) Whether or not the value fixed by the Special Deputy Collector (Stamps) could be relied on for fixing the market value of the land acquired?*

*(iii) Whether or not the guideline value maintained at the relevant time would be the*



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*basis for fixing the market value of the land acquired?*

*(iv) Whether or not the sale deed Exs.C-1 and C-2, which were executed just few days after publication of Section 4(1) Notification, could be relied on for the purpose of fixing the market value of the land acquired?*

*(v) Whether the value fixed by the Land Acquisition Officer as confirmed by the lower Court is just and proper considering the guideline value fixed by the Special Deputy Collector (Stamps) and under Exs.C-1 and C-2?"*

**Substantial question of law Nos. (i) and (iv):-**

15. Under Exs.C1 and C2, the appellants had purchased the property from the owners of the land, admittedly, after the issuance of notice under Section 4(2) of the Act. In this context, it is to be analyzed as to whether such documents after the initiation of the land acquisition proceedings could be relied upon for fixing the market value of the land.



16. Admittedly, the notice under Section 4(2) of the Act had been issued on 23.09.1997 and served upon the land owners on 25.09.1997.

The Sale-deeds under Exs. C1 and C2, whereby the appellants had purchased the property came into being on 29.10.1997 and finally, the notice acquiring the land under Section 4(1) of the Act was made on 23.02.1998. Under the provisions of Section 4 of the Act, the power to acquire the lands have been vested with the District Collector. Firstly, a notice under Section 4(2) of the Act has to be issued to the owner or any other person interested to show cause as to why the lands should not be acquired. After considering the objections, if any, received and if the authority come to a decision, that it is necessary to acquire the lands, then a notice under Section 4(1) gets to be issued. On the issuance of notice under sub-Section (1) of Section 4, the lands absolutely vested to the Government free from all encumbrances.

17. Section 7 of the Act deals with the manner in which the compensation payable should be determined. Sub-section 1 of Section 7 would envisage that the amount payable should be the market value of the land on the date of publication of the notice under sub-Section 1 of Section 4.



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18. For better appreciation, relevant provision is extracted

hereunder:-

*“4. Power to acquire land.*

*(1) Where the District Collector is satisfied that for the purpose of any Harijan Welfare Scheme, it is necessary to acquire any land, he may acquire the land by publishing in the District Gazette a notice to the effect that he has decided to acquire the land in pursuance of this section.*

*(2) Before publishing a notice under sub-section (1), the District Collector or any officer authorised by the District Collector in this behalf, shall call upon the owner or any other person, who, in the opinion of the District Collector or the officer so authorised may be interested in such land, to show cause why it should not be acquired.*

*(3) (a) The District Collector may, where he has himself called upon the owner or other person to show cause under sub-section (2), pass such orders as he may deem fit on the cause so shown; (b) Where any officer authorised by the District Collector has called upon the owner or other person to show cause under sub-section (2), the officer so authorised shall make a report to the District Collector containing his recommendations on the cause so shown for the decision of the District Collector*

*After considering such report the District Collector may pass such orders as he may deem fit.”*



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19. As noted above, Section 4(1) notice under the Act had been issued on 23.02.1998. By applying the provisions of sub-Section 1 of Section 7, the market value of the land as on publication of Section 4(1) notice alone would determine the amount payable. Hence, the finding of the Court below that Exs.C1 ad C2 cannot be considered for arriving at the market value of the lands, is wholly erroneous and wholly contrary to the aforesaid position. Hence, the substantial question of law is answered in favour of the appellants holding that Exs. C1 and C2, which came into being, before the publication of notice under Section 4(1), can be considered for arriving at the market value of the lands.

**Substantial question of law Nos. (ii) and (iii):-**

20. For the lands acquired, an award has been passed fixing the value of the land at the rate of Rs.43,403/- per acre. As per the award, the 4(1) notice had been published in the Vellore District Gazette on 16.02.1998 and the data had been prepared on the basis of the sales for the period from 01.01.1997 to 28.02.1998. During the said period, it had recorded that 14 sales had been taken place in the nearby lands and a sale deed dated 17.10.1997 viz., a sale deed after the issuance of 4(2) notice, had been relied upon by the Land Acquisition Officer for fixing the



market value of the land at Rs.43,403/- per acre. The appellants under Ex.C1 had purchased an extent of 30 cents from one of the land owners for a sale consideration of Rs.30,000/- and under Ex.C2, a further extent of 24 cents had been purchased from another land owners for a sale consideration of Rs.30,000/-.

21. Even accepting the contention of the appellants that the guideline value that had been arrived at would be the market value of the land, we are not inclined to apply the aforesaid principle to the facts of the case in hand. The appellants being the purchasers of the lands under Exs.C1 and C2 had after negotiations with the vendors arrived at a just and fair market value of the lands, and the same had been paid by the appellants to the land owners. If the claim of the appellants is to be accepted, then it would only have been proper for him to purchase the lands at the value fixed by the Statutory Authority under the Indian Stamp Act, and not at the value lower than it.

22. The consideration that had been paid under Exs.C1 and C2 itself would indicate the market value of the lands that had been acquired. Any other conclusion contrary to the same would only unjustly enrich the appellants as contended by the learned Special Government Pleader. It is

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further to be noted that the value that had been arrived at under Section 47-A of the Indian Stamps Act had not been placed on record as a documentary evidence nor an endorsement with regard to Section 47-A made in Exs.C1 and C2 had been marked before the Court. Hence, the substantial questions of law that have been framed and dealt with now are answered in the negative.

23. This takes us now to answer the next substantial questions of law.

**Substantial question of law No. (v):-**

24. We have already come to the conclusion that Exs.C1 and C2 ought to have been taken into consideration, while arriving at the market value of the land. Under Exs.C1 and C2, the appellants had purchased an extent of 30 cents and 24 cents at sale consideration of Rs.30,000/- respectively. The said document had been executed prior to the issuance of Section 4(1) notice and the data land that had been relied upon by the respondent is of October 1997. There is no reason to disbelieve the consideration paid under Exs.C1 and C2 as no materials have also been placed in contradiction to the market value, that had been the consideration fixed under the aforesaid documents.



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25. As noted above, sub-section 1 of Section 7 would indicate that the amount payable as compensation for the acquired lands would be the market value of the land on the date of publication of notice under sub-section 1 of Section 4.

26. In such view of the matter, we are of the considered view that the appellants would be entitled for the compensation on the face value of the consideration that had been paid under Exs.C1 and C2 as only the lands under Exs.C1 and C2 had been acquired by the Government by issuance of Section 4(1) on 16.02.1998. On the aforesaid reasons, **the second appeal stands partly allowed** and the appellants are held to be entitled for a sum of Rs.60,000/- for the extent of 54 cents purchased by them under Exs. C1 and C2 and they are also entitled for the interest as provided under the Act, from the date of the issuance of Section 4(1) notification. No costs.

(C.V.K., J.) (K.B., J.)  
12.01.2026

Index: Yes/No  
Speaking/Non-speaking order  
Neutral Citation: Yes/No  
*Maya*



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To

1. The Special Thasildar  
Adi-Dravida Welfare  
Gudiyatham Taluk  
Vellore District.

2. The Section Officer,  
VR Section, High Court,  
Madras.



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**C.V. KARTHIKEYAN, J.  
and  
K. KUMARESH BABU, J.**

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**Dated : 12.01.2026**